

INDEPENDENT FREE PAPERS OF AMERICA

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William Caton, Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

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Dear Mr. Caton:

As Chairman of the Constitution & Competition Division of the Independent Free Papers of America, I am entering comments: In the Matter of Newspaper/Radio Cross-Ownership Waiver Policy, MM Docket No. 96-197.

The Independent Free Papers of America represents some 300 independent (not owned by paid newspapers) local publications from a total of 2,474 free and "combined weekly newspapers" (less than 5% paid), as defined by the recent *Community, Specialty & Free Publications Yearbook (1997)*, produced by *Editor & Publisher Magazine*.

Even though we submitted a previous statement to Mr. Reed Hundt, dated Feb. 22, 1996, to my knowledge we have received no notice of this proceedings. Only by happenstance did we learn this week of the deadline date for comments of Feb. 7, 1997. However, we would like to enter the following comments on this issue.

1. Our interest is not only for our own members but for all of the 2,474 free and mostly free local publications, which have a total U.S. circulation of 24,445,673, according to the C,S&FP Yearbook cited above. This compares with a total circulation of 20,465,837 for all paid weekly newspapers in the U.S., according to the same Yearbook citation. If this figure is added to what the Yearbook defines as "TMC/Shoppers" (all free) circulation of 54,282,929, the total of local free circulation publications is 78,728,602 -- a significant figure -- and is larger than the total U.S. circulation of all daily newspapers of 58,193,391 (same citation).
2. Under the present conditions, we do not have the time for a detailed analysis of all the conditions under study by the Commission, but our position is, in essence, that the 1975 Rule on Cross-Ownership should stand -- with the same allowances for waiver policy and procedures, and with waivers granted only where application would be "unduly harsh."
3. Specifically, it is our position that any abrogation or weakening of this rule would adversely impact our members -- and all free and mostly free papers -- and the public interest -- on both the diversity and economic competition standards.
4. We believe that the cross-ownership rule should apply equally to all broadcast entities, both radio and television. Allowing dominant paid daily newspapers to acquire either radio or TV stations in their own markets is seriously inadvisable for our own and/or the public interest.

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In the case of failing newspapers (a rare occurrence), any waivers can be determined under the present rule.

5. As to "Objective Tests," this direction enters almost uncharted waters -- a thicket of variables and subjective judgments which impinges on Constitutional issues of government control by content. Radio and television overlapping and reach are technical matters on which we have no expertise, but these already have been dealt with by the Commission. The critical requirement is that the applicant must bear a significant -- even overriding -- burden of proof to the contrary of the rule. The situation calls for now, as it did when the Commission issued its 1975 rule, of a "wall of separation" between newspapers and broadcast in the same market.

6. As citizens, we decry any move to reduce diversity. However, as local, independent businesses, mostly small, we are particularly concerned about the economic impact. In nearly all markets in which we operate, we are the only viable local print competition to the enormous power of the daily newspaper for economic matters, in truth, for our survival -- and in many cases, for diversity of opinion. We agree with the statement in Section 20 of the current proceedings, that, "A waiver that might be acceptable in terms of its impact upon diversity might create such market power in a single entity that it would not be tolerable in terms of competition."

7. Finally, we are a relatively small organization, but given more time, we could provide a more detailed statement. Also, if further hearings are held, we would very much like to be included in these.

Thank you for your consideration of our views in this most important matter.



Victor Jose, Chairman
Constitution & Competition Division
Independent Free Papers of America

February 6, 1997